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## 19th Annual Report

# State Board of Hail Insurance

## To Montana Grain Growers

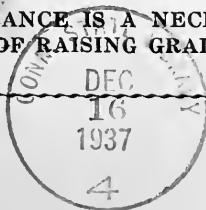


### 1935 BUSINESS SUMMARY

Total risk written.....	\$1,449,100
Premium charge .....	\$ 116,158
Losses paid .....	\$ 145,613
Policies issued .....	1,545
Loss claims filed.....	454
Total acres insured.....	214,595
Average insurance per acre.....	\$6.75
Average acres insured per farmer.....	139
Number of days with hail.....	42
Acres reported damaged.....	52,487
Loss ratio .....	10%
Average cost of insurance .....	8%
Average cost per \$1000 of protection.....	\$80.00

**PAYMENTS ON STATE HAIL LOSSES  
CANNOT BE GARNISHEED OR ATTACHED  
BUT MAY BE ASSIGNED**

**HAIL INSURANCE IS A NECESSARY COST  
OF RAISING GRAIN**



## 1935 HAIL LOSSES SEVERE

### ALL PAID PROMPTLY

Again in 1935 the State hail insurance fund proved of great benefit to many Montana farmers whose crops were damaged by hail. More than \$145,000 was paid from the fund to those suffering loss.

Crop conditions for the season were generally under the average, yet there was a brisk demand for hail insurance wherever the outlook was satisfactory. It shows that if the crop outlook for 1936 is for better than an average crop there will be a large amount of hail insurance carried.

On account of the severe losses the maximum rates were charged making the average cost of \$80 for each \$1,000 policy. This shows a saving of about \$20 on each \$1,000 policy as the average charge shown includes insurance on peas, beans, alfalfa seed and mustard which require a higher rate.

The 1935 loss ratio of 10% was far above the average of the past 17 years of 6.5%. Only three years in the period were higher. 1921, 1923 and 1932 had loss ratios of 10.2%, 10.7% and 12%. This experience shows that hail continues to be the greatest enemy of the grain grower outside of drouth.


More losses occurred in Wibaux County last summer than in the past 16 years. This experience, together with that of other counties in recent years, shows the uncertain feature of hail damage. It seems to come where least expected. Any county

east of the Continental Divide may run several years with only minor hail losses or again in any year it may suffer losses like those suffered in Wibaux. No one can do any more than guess which county or which locality may be next.

## **CASH PAYMENT FOR HAIL INSURANCE**

About 100 farmers paid cash for their 1935 hail insurance which was a large increase over 1934. This method greatly simplifies the taking of hail insurance. It does away with assignments and waivers of crop mortgages. Payments of losses from the state hail fund are not subject to attachment in any way and the grain grower has full charge of its use. Also a discount of 4% is allowed. This method of insuring is entitled to more consideration from the grain growers and all who possibly can should take advantage of it.

The tables on the following pages give many details on the operation of the state hail insurance fund. If anyone desires further information on the Montana Fund or of any other State please write the state office at Helena.



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# **DETAIL STATEMENT—RISK, LEVY, LOSSES, LOSS RATIO**

County—	1935 Risk Written	1935 Levy	1935 Losses Paid	1935 Loss Ratio	17-Year Average Loss Ratio	Average Cost 17 Years
Beaverhead .....					1%	7%
Big Horn .....	\$42,962.66	\$3,963.76	\$8,511.55	20%	9	9
Blaine .....	41,290.00	3,283.04	932.50	2	4	7
Broadwater .....					2	7
Carbon .....	920.00	65.60	66.67	7	3	10
Carter .....	3,805.00	304.40	50.00	1	3	7
Cascade .....	135,171.17	9,661.38	2,991.30	2	6	8
Chouteau .....	73,636.83	5,150.71	3,090.50	4	5	8
Custer .....	9,665.00	872.25		0	9	8
Daniels .....	148,276.00	11,859.28	18,528.77	12	6	7
Dawson .....	61,152.73	4,889.82	9,029.31	15	8	8
Fallon .....	20,359.00	1,623.09	2,992.85	15	4	7
Fergus .....	15,922.20	1,433.91	1,514.93	10	8	9
Flathead .....					4	6
Gallatin .....	31,691.66	2,716.75	957.10	3	11	7
Garfield .....	2,300.00	207.00		0	8	8
Glacier .....	22,040.00	1,562.70	900.00	4	3	8
Golden Valley .....	9,171.00	917.10	210.25	2	15	10
Hill .....	21,084.00	1,500.08	2,450.00	12	3	7
Jefferson .....					3	7
Judith Basin .....	16,400.00	1,476.00	617.50	4	5	9
Lake .....	390.00	28.50		0	0	5
Lewis and Clark .....						8
Liberty .....	24,635.00	1,720.42	129.00	1	2	8
McCone .....	42,037.00	3,231.84	4,976.25	12	3	7
Madison .....	3,470.00	275.90	349.00	10	5	6
Meagher .....					12	9
Musselshell .....	5,012.50	501.25	179.69	4	16	9
Park .....					16	9
Petroleum .....					3	8
Phillips .....	21,295.00	1,773.20	596.20	3	5	7
Pondera .....	41,679.38	3,017.33	698.90	2	7	8
Powder River .....	4,630.00	416.70	1,314.00	28	8	8
Prairie .....	29,257.00	2,338.67	9,986.28	34	8	7
Ravalli .....	4,059.00	295.66		0	0	7
Richland .....	27,020.00	2,129.60	4,852.95	18	4	8
Roosevelt .....	66,383.65	5,296.11	8,136.46	12	4	7
Rosebud .....	11,115.00	965.17		0	4	9
Sheridan .....	147,533.00	11,745.26	3,498.10	2	4	8
Stillwater .....	20,556.25	2,090.00	750.00	4	11	10
Sweet Grass .....	1,130.00	113.00		0	5	9
Teton .....	59,884.99	4,339.56	985.80	2	3	8
Toole .....	36,995.00	3,263.35	526.75	1	6	8
Treasure .....	32,391.00	3,053.07	5,192.96	16	10	8
Valley .....	50,898.75	4,090.98	2,608.40	5	4	8
Wheatland .....	6,650.00	665.00	337.60	5	10	10
Wibaux .....	117,785.17	9,419.66	43,980.54	37	12	7
Yellowstone .....	38,445.77	3,902.03	3,671.66	10	9	9
	\$1,449,100.71	\$116,159.13	\$145,613.77	10%	6.5%	8%

## **16 YEAR SUMMARY 1920-1935 Inclusive**

Total risk written .....	\$22,408,899
Tax levy .....	\$ 1,807,594
Number farmers insured .....	20,755
Total acres insured .....	2,684,750
Average acreage per application .....	128.8
Average risk per acre .....	\$8.35
Losses paid .....	\$1,463,198
Loss ratio .....	6.53%
Average cost per \$1,000 of protection .....	\$80.66
Number losses adjusted .....	4,725
Operating expense ratio .....	10.7%

## **ADMINISTRATION ACCOUNT FOR 1935**

1. State office salaries and traveling expenses (chairman, clerk hire, board members' per diem and expenses) .....	\$5,505.05
2. General office expense (printing, stationery, supplies, postage, telephone, telegraph, equipment, insurance) .....	1,540.45
3. Hail adjusters' per diem and expenses .....	3,588.09
4. Advertising .....	211.19
5. Office rent .....	300.00
6. Collection expense .....	1,153.90
7. New car and maintenance .....	440.08
	\$12,738.76

# HOW TO GET STATE HAIL INSURANCE

APPLY TO THE ASSESSOR OF THE COUNTY IN  
WHICH THE GRAIN TO BE INSURED  
IS GROWING.

**Directions for Land Owners.** Owners of land not mortgaged and with taxes not delinquent more than one year may obtain hail insurance by merely filling out an application and filing it with the assessor. He has instructions to receive all such applications and to make the charge for them against the land only. The crop lien provision in the application is not to be used and the application is not to be filed with the county clerk and recorder.

**Directions for Owners of Mortgaged Land or Land with Not More Than One Year's Delinquent Taxes.** If the land taxes are not delinquent more than one year, or if the land is not under foreclosure, the applicant is not required to furnish waivers for crop mortgages of record when hail insurance is issued. However, the application for hail insurance contains a crop lien and is to be filed with the county clerk.

**Directions for Owners of Mortgaged Land or Land with More Than One Year's Delinquent Taxes.** If the land taxes are delinquent more than one year, or if the land is under foreclosure, then waivers must be obtained for crop mortgages of record when hail insurance is applied for, if the crop mortgages are for other purposes than feed or seed.

**Directions for Tenants.** Any tenant may secure State hail insurance by furnishing a crop lien subject only to prior liens for feed and seed. The crop lien is made a part of the application. If prior liens are a bar to insuring, THE TENANT MUST PRODUCE A WAIVER FROM THE MORTGAGEE RANKING FIRST AFTER FEED OR SEED MORTGAGES AND MUST FILE IT WITH HIS APPLICATION FOR HAIL INSURANCE. The waiver must be for the maximum charge for the hail insurance. Tenants may also secure hail insurance by having the owner of the land sign consent for the hail tax to go against the land. Mortgages for feed or seed require no waivers.

**4% Discount for Cash Payment for Hail Insurance.** When any grain grower pays cash for his hail insurance he will be charged the regular maximum charge for his county, less 4%. If a reduction is made later in the rate for the year he will be refunded the proper amount from the state office at Helena.

**Waivers May Delay Hail Insurance.** Grain growers should start early to secure waivers when they know they will be required before hail insurance may be obtained. Failure to do so may result in serious loss by hail during the time the waiver is sought. If any grower has an agreement with the mortgagee to carry hail insurance he

should arrange a definite agreement on how the proceeds of any hail loss may be divided.

**When to Insure.** Experience shows that grain crops should not be insured until they start stemming or reach the height of about 6 inches, and then growing conditions should be favorable. The same care should be taken when insuring special crops. Hail insurance is needed now as badly as in any former year but care should be taken to use it more as a matter of protection than speculation.

**How Much Insurance Per Acre?** For 1936 the Board will allow hail insurance on grain in the various counties for any amount desired up to \$10 per acre. About 80% of those insuring are careful about the amount of protection. We appeal to those who have not been careful, to use greater care for 1936.

**Hail Insurance on Special Crops.** Not more than the amount shown after each of the following crops will be written per acre for 1936:

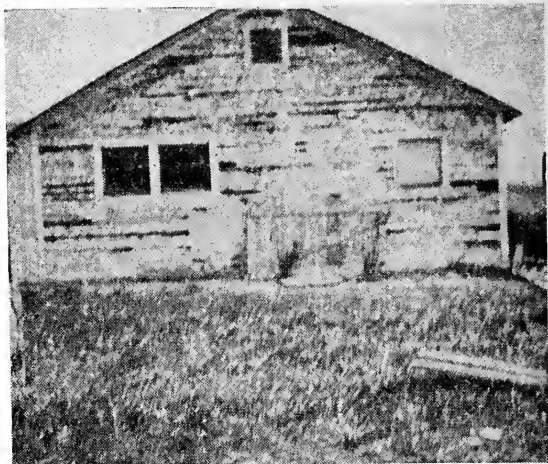
Beans, irrigated .....	\$12	Sweet Clover Seed.....	\$10
Beans, non-irrigated .....	\$ 7	Alfalfa Seed .....	\$12
Peas .....	\$20	Mustard and Corn.....	\$12
Potatoes .....	\$20	Sugar Beets .....	\$20

**Reduced Rates in Case of Crop Failure.** When any insured crop is badly damaged or destroyed by other means than hail, the hail insurance may be terminated and the cost of the insurance will be reduced as shown by paragraphs 17 and 18 on the application and policy. Application for reduction must be made to the state office at Helena.

**Adjustment of Losses.** When any grower is sure his insured grain has suffered loss exceeding 5% he should promptly report his loss to the state office at Helena. An experienced adjuster will examine the grain within about a week. The adjusters are farmers who understand the effect of hail on grain and will give each claim very careful consideration. Haste in reporting losses at harvest time is urged.

**Payment of Losses.** The hail insurance law provides that within 40 days of the occurrence of the loss, payment shall be made as follows: One-half the amount of the adjustment, less the amount owed for hail insurance, shall then be sent the insured. The final payment will be made as soon as practical after the close of the hail season. In recent years the first payment has been made in August and final payments mostly in September or in October.

**Montana State Hail Insurance Is a Mutual Fund.** All money paid into the fund is used for hail insurance purposes only. A small part is used for operating expenses and the balance is used for payment of losses as needed. All losses have been paid in full from 1919 to 1935, inclusive. Payment of 1936 losses is backed by the cash on hand, collections from 1936 policies and collections from delinquent accounts. These sources are more than sufficient to pay all losses in full, unless they should greatly exceed those of any former year.



The above house (C. B. Ebeinger owner) lay in the path of the July 26, 1935 hail storm. It is located about 15 miles south of Poplar. The storm destroyed grain in a wide path from near Malta to south of Sidney. F. C. Kuehne of Vida wrote: "Our buildings were badly damaged. Our 60 acre field of corn was 7 feet tall. After the storm not a stalk was to be seen." This and other widespread storms of 1935 again show that no locality in Montana outside the mountains can safely be considered free of these devastating storms.

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State Board of Hail Insurance,  
Mr. E. K. Bowman, Chairman  
Helena, Montana

Dear Mr. Bowman:

I want you to know that I appreciate very much the efficient handling of the hail insurance I carried with you in past years.

I was well satisfied both as to adjustments and promptness of payment.

As long as the State hail department is under the efficient management it now has, I feel that no more reliable or economical insurance can be had.

Yours sincerely,

Wibaux, Montana

(signed) W. L. Staggs

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#### MEMBERS OF STATE BOARD OF HAIL INSURANCE

E. K. Bowman, Chairman, Helena

A. P. Bruce, Secretary, Commissioner of Agriculture

James J. Brett, member, State Treasurer

P. J. Anderson, member, Conrad

B. J. Anderson, member, Fairview

It is the duty of each county assessor to furnish grain growers with full information regarding State hail insurance and to assist them in getting it. This pamphlet is issued for the purpose of assisting the assessors in furnishing information to grain growers.

Issued by  
STATE BOARD OF HAIL INSURANCE  
Helena, Montana

